

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U338E) for a Certificate of Public Convenience and Necessity for the West of Devers Upgrade Project and for an Interim Decision Approving the Proposed Transaction between Southern California Edison and Morongo Transmission LLC.

Application 13-10-020

(Filed October 25, 2013)

**NOTICE OF EX PARTE COMMUNICATION OF THE
BAY AREA MUNICIPAL TRANSMISSION GROUP**

Pursuant to Rule 8.4 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure (Rules), the Bay Area Municipal Transmission Group¹ (BAMx) hereby submits notice of the following ex parte communications.

On May 4, 2016, representatives of BAMx met with Charlyn Hook, Commissioner Florio's Legal Advisor at 1:30 pm; Rachel Peterson, Commissioner Randolph's Chief of Staff at 2:30 pm; and Ehren Seybert, Commissioner Peterman's Energy Advisor at 3:00 pm. The meetings were initiated by BAMx and each meeting lasted for approximately thirty minutes. During the meetings, BAMx was represented by Joyce Kinnear, Division Manager, Joint Powers Agencies, City of Santa Clara, Silicon Valley Power; Dr. Pushkar Wagle, Flynn RCI, consultant to BAMx; and Susie Berlin, counsel for BAMx.

During each of the meetings, Ms. Kinnear introduced the members of BAMx, who are transmission dependent utilities within the California Independent System Operator (CAISO) footprint that pay the same Transmission Access Charge (TAC) as the investor owned utilities' retail customers and each is concerned about increasing transmission costs. Ms.

¹ BAMx is an informal organization that consists of Alameda Municipal Power, City of Palo Alto Utilities, the City of Santa Clara's Silicon Valley Power, and the Port of Oakland. BAMx members are publicly-owned electric utilities who all own and operate their own electric utilities.

Kinnear noted that the TAC (both, Low Voltage and High Voltage) has increased significantly in the past few years, and is currently about \$20 per megawatt hour, which at times is more than the cost of generation.

Ms. Berlin noted that the April 11, 2016 Proposed Decision Granting Certificate of Public Convenience and Necessity for the West of Devers Upgrade Project and Related Matter (PD) cannot lawfully be adopted as presented, as it contains both factual and legal errors. The April 11 PD ignores record evidence that demonstrates changed circumstances directly impacting the need for the project, including evidence that demonstrates the project is not needed to accommodate the Commission-approved power purchase agreements already executed. The PD also errs in relying on speculation that the project is needed to meet the state's 50% renewable portfolio standard mandated in Senate Bill (SB) 350, and creates a presumption that increased renewable procurement creates a de facto need for more transmission, ignoring SB 350's emphasis on increased energy efficiency and demand response resources and how that will impact the overall need for additional transmission to meet the 50% mandate. Ms. Berlin also noted that the PD's dismissal of the environmentally superior alternative was legally flawed in its reliance on speculation that the additional transmission will be needed, as more fully detailed in ORA's comments on the PD.

Dr. Wagle reviewed Slide 3 of the attached presentation, and noted that the PD erred in not using the most updated information to determine whether the project is needed, which was included in ORA's testimony. The CAISO analysis was based on the RPS portfolios generated by version 5.0 of the RPS Calculator. Ms. Berlin noted that while the CAISO was not required to review updated information, the Commission does have the responsibility to use the most recently available data in determining whether the CPCN should be granted for the nearly \$1 billion project, and the PD errors in not using the information in the record

based on the updated data and a more recent version of the RPS Calculator.

Dr. Wagle also reviewed Slide 4 in the attached presentation, which presents the lack of project need under six Draft 2016 RPS portfolios based on the RPS Calculator version 6.2 taken from the March 14, 2016 ALJ Ruling in R.15-02-020. Dr. Wagle noted that this data was not part of the record as it utilizes a more recent form of the RPS Calculator than what was available when the record was submitted, but is consistent with the analysis of version 6.1 that was addressed in ORA's testimony demonstrating that the project is not needed at this time. BAMx asked that the PD be rejected due to the factual and legal errors, and that the Commission direct Southern California Edison to update its application for the CPCN to reflect the most current information available and that a decision be based on those facts and a demonstration of need, and not on the speculative need for the project to support the 50% RPS.

A copy of the referenced BAMx handout is attached hereto.

May 9, 2016

Respectfully submitted,



C. Susie Berlin

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Attorneys for the

Bay Area Municipal Transmission Group

West of Devers Upgrade Project (WODUP) CPCN Application (A.13-10-020)

Bay Area Municipal Transmission Group (BAMx)

**Alameda Municipal Power
City of Palo Alto Utilities
City of Santa Clara, Silicon Valley Power
Port of Oakland**

**CPUC
San Francisco, CA**

May 4, 2016

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Proposed Decision Has Factual and Technical Errors

- ☐ PD fails to recognize that all Commission-approved PPAs can be accommodated in the absence of WODUP
- ☐ PD errs in determining that WODUP is needed for Commission-approved PPA as it ignores undisputed testimony regarding cancelled PPAs
- ☐ PD incorrectly relies on the Interconnection Agreements to support need for the WODUP
- ☐ PD errs in rejecting the use of the latest version of the RPS Calculator in determining the need for the WODUP
 - PD errs in relying on speculation to support its finding that the Project is needed to support the state's 50% RPS goal

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WODUP is Not in CAISO Ratepayer's Interest

- ❑ WODUP is a renewable generator interconnection driven project; it is not needed for reliability
- ❑ All renewable generators with power purchase agreements (PPAs) have received FCDS without the WODUP. Interim upgrades on the WOD lines provide for sufficient capacity to accommodate the PPAs, including providing FCDS
- ❑ FCDS is a Resource Adequacy criteria that should not be used to assess transmission need for renewables; Energy Only resources are equally effective in meeting the State's policy goals
- ❑ WODUP is not needed to meet either the 33% or 50% RPS goals
 - ORA testimony demonstrates that the latest version of the RPS calculator is the best tool available to evaluate transmission need and it no longer shows a need for WODUP
 - With SB 350's priority on energy efficiency and distributed generation resources, there is even further reduction in need for new transmission within the CAISO BAA

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Latest Available Information Confirms that WODUP is not Needed to Meet 50% RPS Goal

#	Draft 2016 RPS Portfolios Name*	Description*	New Resource Capacity (MW) Selected in Riverside East/Palm Springs & Imperial East**	Need for WODUP **
1	Default	A 50% by 2030 portfolio that is fully deliverable; new, generic resources may be selected only from within California	FCDS: 800 & 126	None
2	Energy-Only	Same as default, but incorporates energy-only projects to reach the RPS target	FCDS: 682 & 126 EO: 0 & 180	None
3	Out-Of-State	Same as default, but incorporates 3,000 MW of Wyoming wind WECC-Wide	FCDS: 800 & 126	None
4	WECC-Wide	Same as default except that new generic resources may be selected from throughout the WECC region	FCDS: 800 & 126	None
5	Energy-Only & WECC-Wide	Same as default, but incorporates energy-only projects to reach the RPS target and new generic resources may be selected from throughout the WECC region	FCDS: 682 & 126 EO: 0 & 120	None
6	Lower Efficiency	Same as default, but assumes energy efficiency achievements equal to those in the 2015 IEPR mid AAEE case	FCDS: 800 & 126	None

* Source: Energy Division Staff Paper on Draft 2016 RPS Portfolios for Generation and Transmission Planning, p.9, attached to ALJ Ruling (03/14/2016), R.15-02-020; and

Source: *Ibid.* Appendices B & C. Also, *Portfolio Analytics* and *CAISO_Tx_Inputs* tabs of RPS Calculator Version 6.2. FCDS Limits for Existing Transmission: Riverside East & Palm Springs: **800MW & Greater Imperial: **523MW**

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Summary

- ❑ The Commission should reject the PD
 - PD has factual and technical errors
 - The evidence in the record does not support a finding that the project is in the public interest
 - The record clearly demonstrates that the project is not needed
- ❑ The Commission should dismiss the application without prejudice